

Message Text

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FOR ASSISTANT SECRETARY SHLAUDEMAN

E.O. 11652: GDS

TAGS: PFOR PINS PINT AR CI BR UY BL PA

SUBJECT: RENDS IN THE SOUTHERN CONE

REF: STATE 171456

1. THE FOLLOWING COMMENTS ARE OFFERED IN RESPONSE TO THE POINTS RAISED IN PARA 1 OF REFTEL.

A) THE BOLIVIAN MILITARY REGIME FOLLOWS MODERATE INTERNAL AND EXTERNAL POLICIES. IT IS ANTI-COMMUNIST AND ANTI-EXTREME LEFTIST, AND IS FAVORABLY DISPOSED TOWARD THE US. THE MILITARY PLAYS A MAJOR ROLE IN THE ENTIRE POLITICAL AND ECONOMIC LIFE OF THE COUNTRY. ALTHOUGH THE GOB DOES SUPPRESS POLITICAL OPPPOSITION IT VIEWS AS A THREAT, BY EXPELLING SOME AND DETAINING OTHERS, IT IS BASICALLY MODERATE. THE PRESS IS RELATIVELY FREE AND POLITICAL PRISONERS RECEIVE RELATIVELY HUMANE TREATMENT.

B) THE BOLIVIAN AUTHORITIES BELIEVE THAT THERE IS A COMMUNIST AND SUBVERSIVE THREAT AGAINST THEM. THEY CITE EXTERNAL AGITATION IN THE MINING SECTOR, AMONG THE WORKERS IN COCHABAMBA, THE STUDENTS IN THE UNIVERSITIES, AND AMONG THE TEACHERS. THE BOLIVIAN GOVERNMENT HAS LONG FELT THAT THE CAPTURE AND DEATH OF CHE GUEVARA HERE WOULD STIMULATE EXTREMIST ACTIVITY AGAINST THEM FROM OUTSIDE. THE RECENT MOVE BY THE

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GOVERNMENT TO BREAK UP THE LEADERSHIP OF THE MINE WORKERS UNION

AND REMOVE DISSIDENT ELEMENTS IN THE MINING SECTOR, WHILE SUCCESSFUL, PROBABLY WILL BRING IN THE FUTURE AN INCREASE IN TERRORIST ACTIVITY. THE THREAT PERCEIVED BY THE GOB IS NOT IN OUR VIEW SUFFICIENTLY STRONG AS TO TOPPLE THE GOVERNMENT BUT WILL CONTINUE TO CONCERN THE LEADERSHIP AND PERHAPS PROVOKE IT TO HARDER-LINE POLICIES ON INTERNAL SECURITY. THE GOB HAS SOME QUESTION ABOUT US WILL TO PROTECT THEM FROM EXTERNAL AGGRESSION AND THUS IS INTERESTED IN COOPERATING CLOSELY WITH OTHERS IN THE SOUTHERN CONE ON SECURITY MATTERS.

C) THE ECONOMIC SITUATION LOOKS GOOD FOR THE REST OF THE YEAR. IMPROVED MINERALS PRICES WILL EASE BALANCE OF PAYMENTS CONSTRAINTS. FOREIGN-FINANCED PROJECTS ARE NOW GETTING UNDER WAY AND NEW LOANS ARE STILL BEING CONTRACTED AT A HIGH RATE. THERE IS RECOGNITION THAT THE ECONOMY HAS PASSED THROUGH A DIFFICULT SIX-MONTH PERIOD WHICH SHOULD INCREASE CONFIDENCE, INVESTMENT, AND CONSUMPTION. THERE WILL BE WAGE PRESSURES FOLLOWING THE ANNOUNCED SALARY INCREASES FOR MINE WORKERS WITH A CONSEQUENT PRESSURE ON THE PRICE LEVELS IN THE SECOND HALF OF THIS YEAR. THE POLITICAL SITUATION SHOULD ALSO BE STABLE DURING THE REMAINDER OF 1976 BUT WITH INCREASED TERRORIST ACTIVITIES MAINLY FROM THE FAR LEFT BUT PERHAPS ON OCCASION BY SOME DISSIDENTS ON THE RIGHT AS WELL. PRESIDENT BANZER'S CONTROL OVER THE MILITARY APPEARS FIRM AND, WHILE NOT A CHARISMATIC FIGURE, THERE ARE FEW WHO WOULD WISH TO DEPOSE HIM AND RISK THEIR OWN STAKE IN THE PRESENT PROSPERITY. OF COURSE THERE CONTINUE TO BE SOME MIDDLE-GRADE OFFICERS IN THE MILITARY WHO HUNGER FOR POWER WHO WOULD POSSIBLY INITIATE A PLOT AGAINST THE REGIME.

D) THE BOLIVIAN TREATMENT OF HUMAN RIGHTS IS FAIR TO GOOD. THE RECENT HANDLING OF THE DIFFICULTIES IN THE MINING SECTOR WAS MIXED. UNION LEADERS WERE EITHER JAILED OR EXILED AND MANY MINE WORKERS CONSIDERED DISSIDENTS WERE REMOVED FROM THEIR JOBS. THE GOB ACTION WAS FIRM AND ACCOMPLISHED WITH LITTLE BLOODSHED AS FAR AS WE KNOW. THERE HAVE BEEN NO KNOWN CASES OF SEVERE MISTREATMENT AND A REPRESENTATIVE OF THE INTERNATIONAL RED CROSS REPORTED REASONABLE TREATMENT OF POLITICAL PRISONERS AND THE ABSENCE OF ANY SYSTEMATIC POLICY OF TORTURE OR PHYSICAL

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ABUSE. THE INTERNATIONAL LABOR ORGANIZATION HAS BEEN INVITED TO SEND A REPRESENTATIVE TO INVESTIGATE THE SITUATION IN THE MINES AND NOW REPRESENTATIVES OF THE PRESS AND RADIO HAVE BEEN AUTHORIZED TO VISIT THE MINING CENTERS. WE EXPECT THE GOB TO CONTINUE A POLICY OF FIRM PURPOSE TO WHAT IT VIEWS AS EXTREMIST ACTIVITIES BUT WITH RELATIVELY HUMANE TREATMENT OF THOSE AFFECTED. SIGNIFICANT INCREASE IN TERRORISM COULD MODIFY THESE POLICIES TOWARD A HARDER LINE.

E) WE SEE LITTLE SIGN OF AN IDEOLOGICAL GAP BETWEEN BOLIVIA AND THE COUNTRIES OF THE NORTH AND CARIBBEAN. MOST OF BOLIVIAN MILITARY BELIEVE IN A CONSTITUTIONAL SYSTEM AS THE DESIRED EVENTUAL GOAL FOR BOLIVIA. MOST BOLIVIANS SEE THE PRESENT MILITARY REGIME AS A NECESSITY AFTER YEARS OF INSTABILITY THROUGH A DISCREDITED POLITICAL PARTY SYSTEM. THE BOLIVIAN REGIME IS PRAGMATIC, NOT IDEOLOGICALLY ORIENTED AND SO WILL CONDUCT ITS RELATIONS WITH OTHER COUNTRIES, INCLUDING THE DEMOCRATIC ONES, IN ACCORDANCE WITH ITS OWN INTERESTS. IT SHOULD BE NOTED THAT STRONG TIES EXIST BETWEEN BOLIVIA AND VENEZUELA WHICH HAVE BEEN STRENGTHENED IN THE RECENT PAST BY THE PUBLIC SUPPORT VENEZUELA HAS GIVEN TO BOLIVIA'S DESIRE FOR AN OUTLET TO THE SEA.

F) WE DO NOT SEE BOLIVIA ENGAGED IN A LOCAL CONFLICT WITH ANY OF ITS NEIGHBORS. HOWEVER, THERE IS APPREHENSION HERE THAT THERE COULD BE A CHILE-PERU DUST-UP AND PERU IS CURRENTLY VISUALIZED IN LA PAZ AS THE VILLIAN IN THE PIECE. IT IS BELIEVED HERE THAT WHILE CHILE COOPERATES WITH BOLIVIA ON AN ACCESS TO THE SEA, PERU IS ENGAGED IN A DELAYING ACTION HOPING TO PROLONG THE DISCUSSIONS UNTIL THE ISSUE DISAPPEARS OR REGIMES CHANGE. MANY BOLIVIANS BELIEVE THAT CHILE MIGHT BECOME IMPATIENT AND WISH TO ACCOMMODATE BOLIVIA WITHOUT PERUVIAN APPROVAL WHICH WOULD BE SEEN BY THE PERUVIANS AS A PROVOCATIVE ACT. BOLIVIA ALSO FEARS AN ACCIDENTAL INCIDENT ON THE BORDERS MIGHT CAUSE A CONFLICT BETWEEN CHILE AND PERU, BOTH OF WHICH ARE CONSIDERED HEAVILY ARMED. BOLIVIA CONTINUES TO WORRY ABOUT THE HEAVY BUILD-UP IN ARMAMENT IN PERU AND MANY LEADERS OFTEN SAY THAT PERU NEEDS THIS EQUIPMENT ONLY TO FIGHT CHILE.

2. I BELIEVE THAT WITH REGARD TO MILITARY ASSISTANCE IN
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BOLIVIA WE SHOULD CONTINUE TO MAKE EVERY EFFORT TO COMPLETE THE EQUIPPING OF THE TIPO REGIMENTS THROUGH MAP GRANT MATERIEL. WE SHOULD OFFER INCREASING FMS CREDITS FOR REASONABLE MILITARY MODERNIZATION BY BOLIVIA. ON THE ECONOMIC ASSISTANCE SIDE, OUR PRESENT STANCE OF PROVIDING ABOUT \$20 - TO \$25 MILLION A YEAR IN CONCESSIONAL AID FOR THE RURAL POOR IS APPROPRIATE AND NEED NOT BE CHANGED. ADDITIONAL ASSISTANCE IN THE AGRICULTURAL AREAS WHERE COCA LEAF IS PRODUCED IS UNDER DISCUSSION ELSEWHERE AND IS NOT APPROPRIATE TO COMMENT ON IN THIS MESSAGE. AS TO THE HUMAN RIGHTS ISSUE IN BOLIVIA, I BELIEVE THAT A CONTINUATION OF OUR PRESENT POSTURE IS CORRECT. THE ISSUES ARE BEING TREATED IN REGIONAL CONFERENCES BY CLEAR AND STRONG STATEMENTS BY US LEADERS AND BY THE MISSION HERE AT MOMENTS OF OPPORTUNITY TO BE EFFECTIVE.

3. IN PREPARING FOR THIS TELEGRAM THE DEFENSE ATTACHE OFFICE HAS WRITTEN A PAPER ON THE BOLIVIAN MILITARY WHICH I AM POUCHING TO ARA/BC FOR POSSIBLE USE. I ALSO BELIEVE THAT THE BRIEFING PAPER DATED MAY 28, 1976, PREPARED FOR THE SECRETARY'S VISIT TO BOLIVIA IS AN ACCURATE STATEMENT OF THE BOLIVIAN SITUATION.

STEDMAN

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